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USDOC FOR 4530/MAC/ANESA/OSA  
ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: GUJARAT ALKALIES  
AND CHEMICALS LTD., VADODARA, GUJARAT, LICENSE NO. D342594

REF: USDOC 006735

1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

2. Acting Export Control Officer (ECO) David Nardella and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Gujarat Alkalies and Chemicals Ltd. (GACL), P.O. Petrochemicals, Dist. Vadodara, Gujarat, on February 1, 2007.

3. BIS requested a PSV at GACL, a Gujarat State Government Public Sector Undertaking (PSU), located at: P.O. Petrochemicals 391346, District Vadodara, Gujarat, Tel: 91-2641-256-315, Fax: 91-2641-256-220, Email: [ajpatel@gacl.co.in](mailto:ajpatel@gacl.co.in), Website: [www.gacl.com](http://www.gacl.com). GACL was listed as the Ultimate Consignee and Blue Star Ltd. (BSL), Mumbai, as the Foreign Purchaser for two (2) Model 3196 spare nickel impellers controlled under ECCN 2B350. The license applicant was Goulds Pumps, Inc. (Goulds), Seneca Falls, NY.

4. ECO along with FSN Narayan met with A.N. Mandke, Chief General Manager (Dahej), A.J. Patel (Patel), Deputy General Manager (CPP), and Jayesh B. Dave, Assistant Officer (Marketing), GACL.

5. GACL representatives were not aware of the BIS export regulations. This was the first USG or BIS official visit to GACL. Patel stated that they purchased the two (2) nickel impellers from BSL to replace the impellers contained in the Goulds pumps purchased in 1996. Those pumps are still operating at the GACL plant. (Note: reftel stated that there was one pump exported to GACL under EAR99, in 1996). Prior to shipment BSL provided BIS export license conditions to GACL by providing a copy of the export license. Patel provided a copy of the GACL corporate brochure, GACL Purchase Order to BSL, GACL End User Certificate, BSL Invoice, Receipt and Inspection Report, and two GACL vouchers reflecting issuance of two-nickel impellers.

6. Patel stated that these two (2) nickel impellers have been installed in the previously purchased Goulds pumps, and are currently operating at GACL. The pumps are used in the movement of caustic soda. As explained by Patel, Caustic Soda is a foundational chemical that is sold by GACL to soap manufacturers, pharmaceutical companies, and other chemical manufacturers.

7. Patel stated that last year GACL enhanced its production of caustic soda from 435 to 735 tons per day. The new 10 inches impellers purchased replaced the old 5 inches impellers. The bigger sized impellers were required to pump the increased production of caustic soda to its various manufacturing processes, and up to the storage tank. Patel cited the reason for using the larger sized impellers was that with same amount of energy inputs they are now

able to pump more liquids. He stated that approximately 30 Goulds pumps are operating at the GACL plant for producing caustic soda lye and other chemicals. To save on transporting costs, the caustic soda is converted into powder form and packed in gunny bags. He stated they have license for selling 48 percent concentrate of caustic soda.

¶18. After the meeting, ECO and FSN Narayan were given a tour of the GACL plant. ECO and Narayan were shown the two pumps into which the new impellers have been inserted. In addition, ECO and Narayan were shown the two (2) 5 inch impellers that have been removed from those pumps. To further cooperate with this check, Patel arranged for the temporary shutdown of one pump, and a team of GACL employees dismantled it. This was done to allow for the personal inspection of an impeller. ECO and Narayan performed a physical inspection of that impeller, and it was determined that it was one of the newly purchased 10 inch impellers. Patel stated that the other pump, which was seen in operation approximately 5 feet from the dismantled one, contained the second recently purchased 10-inch impeller. Patel offered to provide any additional assistance to assist with the check, and ECO stated it was not necessary to further dismantle their facility, or further cease production. The GACL plant runs in three shifts is guarded 24 hours a day.

¶19. Established in 1973, GACL is the single largest producer of caustic soda in India, with a production capacity of 820 tons per day. It has two manufacturing locations at Vadodara and Dahej, both in Gujarat. GACL's major products include caustic soda lye, caustic soda flakes, caustic soda prills, liquid chlorine, hydrochloric acid, sodium cyanide, sodium ferrocyanide, caustic potash lye, caustic potash flakes, potassium carbonate, poly aluminum chloride, and chlorinated paraffin wax. The major customers are water-purifying companies, chemical, soap and pharmaceutical manufacturers. GACL employs 1321 personnel. GACL sales for the FY 2006 were approximately \$295 million.

¶10. Recommendation: Post recommends Gujarat Alkalies and Chemicals Ltd. as a reliable recipient of the controlled U.S.-origin commodities. All indications are that the listed commodities are being used in accordance with U.S. Export Administration Regulations. (DNARDELLA/PNARAYAN) Mulford